

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6172

BILL NUMBER: HB 1475

DATE PREPARED: Nov 13, 2000

BILL AMENDED:

SUBJECT: Admission to the Indiana Veterans' Home.

FISCAL ANALYST: Bob Sigalow

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FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that a person must be a legal resident of Indiana for at least three years (rather than five years) immediately preceding application to be eligible for admission to the Indiana Veterans' Home. (The introduced version of this bill was prepared by the Commission on Military and Veterans Affairs.)

Effective Date: July 1, 2001.

Explanation of State Expenditures: Under current law, a destitute or disabled person may be admitted to the Indiana Veterans' Home if they were honorably discharged, have lived in Indiana for at least the preceding five years and are either (1) a veteran or nurse with war-time service or (2) a veteran or nurse with a service-connected disability who served in an authorized campaign. This bill would change the five year residency requirement to three years.

The Veterans' Home reports that the current cost per resident is about \$156 per day. On average, about 55% (\$86) is paid by the state, 20% (\$31) is paid by the U.S. Veterans' Administration, and 25% (\$39) comes from resident resources. State funding for the Indiana Veterans' Home comes from the state General Fund.

According to the Superintendent of the Indiana Veterans' Home, a waiver is currently available to grant admission to veterans with only one year of Indiana residency immediately prior to application. The Indiana State Department of Health reports that during the past three years the Department received 18 requests for waivers and granted 15 of those requests. Two of the three denials resulted from the inability of the Home to meet the medical needs of the applicants and the other denial involved an applicant who had no period of Indiana residency and was otherwise eligible for admission to the Michigan home for veterans.

According to the Indiana State Department of Health, the Indiana Veterans' Home is licensed for 455 residents and currently has a census of 363. The Home currently has sufficient staff and facilities for up to

385 persons. Based on the aging of the veterans who served during World War II, the Department estimated that the Home would face an increased demand, under current residency requirements, beginning in two or three years, with the peak demand occurring some time around 2010.

The Department indicated that with current resources for 385 residents it is not optimizing costs at an occupancy level of 363 because of the fixed costs incurred in operating the Indiana Veterans' Home. Increasing the number of residents to 385 would lower the cost per resident. An increase to 385 residents would also maximize the Home's reimbursement from the United States Veterans Administration. If the number of residents increased above 385, the overall cost of running the Indiana Veterans' Home would increase.

The availability of the current waiver has been publicized through the various veterans' organizations. Although the actual number of new residents prompted by the change in residency requirements contained in this bill is unknown, it is thought to be minimal because a waiver is currently available.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Veterans' Home.

Local Agencies Affected:

Information Sources: Mr. Robert Hawkins, Superintendent, Indiana Veterans' Home, (765) 497-8520; Mr. Pete Maniago, Assistant Commissioner, Indiana State Department of Health, 233-1325.